GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1030
ANSWERED ON:27.07.2001
TAX COLLECTION
SADASHIVRAO DADOBA MANDLIK

Will the Minister of FINANCE be pleased to state:

(a) whether the Government attention have been drawn to the news item captioned `Rs. 10,000 crore shortfall in tax collection` appeared in `Business Standard` dated May 4, 2001;

(b) if so, the details thereof and the reasons therefor; and

(c) the steps taken by the Government for better tax realisation in the current financial year?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) Yes, Sir.

(b) The details of Budget Estimate, Revised Estimateand Collection of Revenue, in respect of direct and indirect taxes, during the year 2000-2001 are as under:

(Rs. in crores)

Major Head	B.E.	R. E.	Collection of revenue
Corporation tax	40040.00	38721.00	35656.11
Income-tax	31590.00	35271.00	31597.73
Customs	53572.00	49781.00	47620.00
Central Excise	70967.00	70399.00	68242.00

The main reasons for shortfall in collection of corporation-tax, and Income-tax are on account of earthquake in Gujarat, slow-down in Capital market, VRS in public sector banks, claims of 100% deductionsunder the provisions of 80G of the Income-tax Act, 1961 in respect of donations for the victims of Gujarat earthquake and insurance claims due to earthquake. As regards Central Excise, the main reasons are lower growth of certain sectors of economy, reduction in excise duty on HSD and Motor sprit and increase in the exemption limit of SSI. The main factors for shortfallin collection on the Customs side are sluggish growth in non-POL imports and reduction in duty on crude oil and Petroleum products.

(c)The steps being taken for better tax realisation include monitoring of outstanding demands and advance tax payments, extension of one-by-six scheme to urban areas, plugging leakage of revenue on account under valuation or commercial frauds, expediting disposal of un-cleared cargo, expediting pending adjudication and appeals and simplification of administrative procedure in order to increase tax compliance.